

# State of South Dakota

SEVENTY-SEVENTH SESSION  
LEGISLATIVE ASSEMBLY, 2002

537H0130

## CONFERENCE COMMITTEE ENGROSSED NO. **HB** **1135** - 02/22/2002

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Representatives Lintz, Bartling, Jensen, and Slaughter and Senators Koskan, Bogue, Sutton (Dan), and Vitter

1 FOR AN ACT ENTITLED, An Act to revise the procedure for reclassification and valuation of  
2 certain real property, to conduct a pilot study on valuing certain real property, to appropriate  
3 money for a pilot study, and to declare an emergency.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 10-6-33.17 be amended to read as follows:

6 10-6-33.17. Any land which is classified pursuant to §§ 10-6-33.14 to 10-6-33.19, inclusive,  
7 shall remain so classified for ~~a minimum of five years~~ one year. ~~Five years after the land is so~~  
8 ~~classified, the land may be reclassified as agricultural land if the land remains in agricultural use~~  
9 ~~during the five year period and if the owner of the land submits an annual application to the~~  
10 ~~director of equalization. The application shall include verified documentation that the land has~~  
11 ~~been in agricultural use during past year. If the land meets the criteria set forth in § 10-6-31.3,~~  
12 ~~has been in agricultural use for five years, and the application requirement in this section is~~  
13 ~~complied with, the director of equalization may reclassify the nonagricultural acreage as~~



1 ~~agricultural land. Thereafter, the director of equalization shall reclassify all or part of any land~~  
2 ~~which is classified pursuant to § 10-6-33.14 according to its actual use, provided that any land~~  
3 ~~reclassified as agricultural is consistent with § 10-6-31.3. Land classified pursuant to this section~~  
4 ~~shall be valued for ad valorem tax purposes in the same manner as like property.~~

5 Section 2. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as  
6 follows:

7 Any land classified pursuant to § 10-6-33.14 may not be used for the purpose of valuing  
8 agricultural land or in any sales ratio study.

9 Section 3. The secretary of revenue shall conduct a pilot study concerning the use of  
10 agricultural income value as a means to value agricultural land. The pilot study shall include an  
11 analysis of various capitalization rates and determine the impact of such rates on the total  
12 statewide assessed value of agricultural property and its relationship to the total statewide  
13 assessed value of all property. The pilot study shall include the counties not included in the pilot  
14 study provided by chapter 44 of the 2000 Session Laws. The secretary shall, for the purpose of  
15 providing information, apply the provisions and procedures provided in chapter 44 of the 2000  
16 Session Laws to value agricultural land in the remaining counties. The secretary shall submit a  
17 report detailing the information collected to the Governor and the Seventy-eighth Legislature.

18 Section 4. There is hereby appropriated from the general fund the sum of fifty thousand  
19 dollars (\$50,000), or so much thereof as may be necessary, to the Department of Revenue for  
20 the purpose of conducting a pilot study concerning the use of agricultural income value as a  
21 means to value agricultural land.

22 Section 5. The secretary of the Department of Revenue shall approve vouchers and the state  
23 auditor shall draw warrants to pay expenditures authorized by this Act.

24 Section 6. Any amounts appropriated in this Act not lawfully expended or obligated by

1 June 30, 2003, shall revert in accordance with § 4-8-21.

2 Section 7. Whereas, sections 3 to 6, inclusive, of this Act are necessary for the support of  
3 the state government and its existing public institutions, an emergency is hereby declared to exist,  
4 and sections 3 to 6, inclusive, of this Act shall be in full force and effect from and after its  
5 passage and approval.